CALIFORNIA STATE LANDS COMMISSION
MARINE FACILITIES DIVISION
NORTHERN CALIFORNIA FIELD OFFICE

CUSTOMER SERVICE MEETING SUMMARY

Wednesday
MARCH 20, 2002

1) **Port Security Issues** — Captain Larry Hereth, USCG, Captain of the Port, Marine Safety Office San Francisco Bay

Captain Hereth spoke about the recently published security guidelines for vessels and port facilities, including marine terminals, in Northern California. He stated that the Coast Guard and state agencies would work hand-in-hand to enhance port security. He went on to say that the Coast Guard is prepared to receive phone calls or notifications of suspicious activity in and around the ports. The caller may inform the Coast Guard Marine Safety Office or the National Response Center at their published telephone numbers.

Next Captain Hereth described Security Levels that apply to vessels and port facilities:

Level I – The degree of security precautions to take when the threat of an unlawful act against a vessel or terminal is possible, though not likely.

Level II – The degree of security precautions to take when the threat of an unlawful act against a vessel or terminal is possible and intelligence indicates that terrorists are likely to be active within a specific area, or against a type of vessel or terminal.

Level III - The degree of security precautions to take when the threat of an unlawful act against a vessel or terminal is probable or imminent and intelligence indicates that terrorists have chosen specific targets.

He outlined the identification screening procedures for employees, vendors, contractors, vessel personnel, and all other personnel at marine terminals. He then explained the 'Ports Security Grants Program' wherein the Transportation Security Administration (TSA) will award funds to critical national seaports to finance the cost of enhancing facility and operational security. Grants will be awarded based on the need for security assessment and enhancements as determined by the Secretary of Transportation and the Commandant of the Coast Guard.

2) **Cost Of Oil Spills in the United States** Dr. Dagmar Schmidt Etkin Ph.D.
Environmental Research
Consulting, Winchester, Maryland

Dr. Etkin spoke about the cost of oil spill clean up in the U.S. compared to the costs in Asia, Europe and Africa. According to Dr. Etkin, the average cost of an oil spill clean up in the U.S. is $90 per gallon as compared to $39 in Europe.

The major factors that drive up the cost of an oil spill are response operations, natural resource damage, socioeconomic damage, fines, and other liabilities.

She said the U.S. is unique in it's approach to oil spill cost recovery in that the country is not a party to certain international clean up funds. Also, the U.S. assigns unlimited liability potential on the responsible party. She also spoke briefly about 'how clean is clean' as viewed by different governmental agencies across the U.S.

Dr. Etkin further addressed oil spill clean up by relating cost to the type of oil that had to be recovered, the clean up strategy, and benefits of alternative technologies. Other factors that increase the cost of clean up are spill location, management issues and weather. Response cost components such as mechanical recovery, dispersant options, booming, and salvage were also discussed. The Oil Pollution Act of 1990 allows the federal government to collect clean up and natural resource damage assessment (NRDA) costs. She dispelled the notion that NRDA costs are always the largest component of oil spill costs. Her study shows that many spills do not have a formal NRDA and usually, NRDA is usually less than 20% or less of total costs.

The presentation concluded with a 3 million gallon crude oil spill scenario with a detailed description of the cost of cleaning it up. Dr Etkin closed with these “lessons learned”: contingency planning and exercising needs to continue, spill scenarios should be incorporated into area contingency plans, port specific ecological risk assessment processes should continue, and alternative response strategies should be evaluated to keep oil off shorelines.

3) **Unitek Energy Services** Mr. Larry Weigel
Vice President

Mr. Weigel said Unitek is an international quality control specialty services company that serves utility and energy producing companies. Members of Unitek perform piping inspection services.

According to Mr. Weigel, piping inspections are performed using long range, guided wave, ultrasonic technology, which can detect cracking and metal loss in difficult to access locations without causing interruptions in the customer's operations. This new

ultrasonic technology, developed with the British Welding Institute and Imperial College, is recreating the way pipeline owners verify the integrity of their high consequence pipelines.

Mr Weigle said the inspection technology is well proven and provides a rapid full coverage screening of pipelines. He said it is especially cost effective where piping passes under ground or in facility situations where extended sections of insulated piping need to be 100% evaluated. The testing equipment is portable and Unitek's crews can inspect 3,000 to 5,000 feet of pipe a day.

4) **West Coast Off Shore Vessel Traffic Risk Management Project**

Mr. Rick Holly, California Office of Spill Prevention and Response.
Commander Bill Uberti, USCG.

The project was extended in response to the concerns of both tank and non-tank vessels transiting specific areas of the coast with the potential risk they pose to sensitive coastal resources from oil or hazardous cargo spills caused by collisions or groundings.

Mr. Holly and Commander Uberti gathered data on vessel traffic, weather, assist vessels (and their locations and availability), and environmentally sensitive areas on the West Coast. They developed risk models based on factors such as vessel distances offshore, tug availability, collision hazards, and distances to potential casualties and are finalizing recommendations that address these risk factors. They will submit their final report in July 2003.